

## EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, made and entered into as of the 27<sup>th</sup> day of March 2001, between HEALTH MIDWEST (the "Employer") and Linda Ward, (the "Employee").

1. Employment. The Employer hereby employs the Employee and the Employee hereby accepts employment pursuant to the terms and conditions set forth in this Employment Agreement.
2. Duties. The Employee shall render full-time employment to the Employer in the position of Senior Vice-President, Corporate Relations. The Employee will at all times faithfully, industriously and to the best of her ability perform all duties that may be required of him or her by virtue of her position. Such duties shall include, without limitation, management coordination of all corporate communications, community affairs, media relations and related market communication activities of the Health Midwest System and management oversight for physician recruitment and the health information and referral program of the System. In addition to such duties and those that may be reasonably inferred from the position of Employee, the Employee shall perform such other duties as may from time to time be assigned to him or her by the President or Executive Vice President of Health Midwest or by the Chairman of the Board of Directors of Health Midwest.
3. Term. The term of this Employment Agreement shall commence as of the above date and shall continue until terminated by either party as provided herein.
4. Compensation and Benefits. In consideration for the services provided by the Employee hereunder, the Employer will pay Employee a base salary of \$18,279.25 per month during the initial calendar year of employment. An annual review of Employee's performance and compensation shall occur on or before January 1 of each subsequent year, unless prevented by reasons beyond the reasonable control of Employer or Employee, and after discussion between Employer and Employee any changes in compensation will be determined by the Employer and will be effective as of January 1 of that year. Employee will also be entitled to participate in the bonus program described in Exhibit A to this Employment Agreement.

The Employee shall be eligible to participate in the benefit programs identified on Exhibit B to this Employment Agreement subject to all applicable eligibility requirements, waiting periods and modifications to such programs as may be made for all executives at the level of Senior Vice President. Employer's health and dental insurance benefits will not be available to Employee until the first day of the month following 90 days of employment. As additional compensation for the services rendered hereunder, Employer agrees to reimburse Employee for COBRA insurance costs which she may incur in an amount not to exceed:

Health Insurance	\$154.38 per month if individual coverage \$360.41 per month if family coverage
Dental Insurance	\$21.66 per month if individual coverage \$32.99 per month if family coverage



5. Vacation. The Employee shall be entitled to four weeks of compensated vacation in each calendar year, including the initial calendar year which Employer acknowledges is less than a full year. A maximum aggregate of two weeks of unused vacation may be carried over to succeeding years. The taking of vacation shall be scheduled with the Employee's supervisor and there is no entitlement to take more than two weeks of vacation consecutively. Upon termination of employment of Employee by Employer without Cause, or by Employee, with or without Good Reason, as such terms are defined below, Employee shall be entitled to payment in lieu of vacation for all vacation which has not been taken, prorated as of the date of the termination of employment. No further vacation benefit shall accrue beyond the date of termination including any Severance Period provided in Section 7(b). Upon termination of employment of Employee by Employer for Cause, all entitlement to unused vacation shall cease and lapse, and Employee shall not be entitled to any payment in lieu thereof.

6. Reimbursement of Certain Business Expenses. The Employer agrees to pay dues to professional associations and societies and such service organizations as are approved by the President of Health Midwest as being in the best interests of the Employer. The Employer shall reimburse Employee for reasonable expenses incurred by him incident to attendance at professional meetings and shall reimburse such reasonable entertainment expenses incurred by the Employee in furtherance of the employer's interests. The Employer shall furnish for the use by Employee of a cellular phone and shall reimburse Employee for the use thereof except for personal use in accordance with the policies of Health Midwest.

7. Termination.

a. General and Definitions. The Employer may terminate this Agreement either with or without Cause, or upon Employee's death, or upon Employee's disability which renders the Employee unable to perform the essential functions of the job, with or without reasonable accommodation. It is recognized that the foregoing is subject to the provisions of the Americans with Disabilities Act. The Employee may terminate this Agreement with or without Good Reason. As used in this Agreement, the term, "Cause" shall mean: (a) conviction of Employee of (i) a felony (except as provided below); or (ii) a misdemeanor involving lying, stealing or immoral conduct; (b) actions or omissions by Employee which materially and adversely affect the Employer, or which could have such effect if allowed to continue, and which are not cured within 15 days following notice of the requirement to cure. Notwithstanding the foregoing definition of "Cause", the Employer and Employee agree that Cause shall not include a criminal conviction resulting from acts or omissions by Employee which were taken in good faith and in the reasonable belief that same were in or not opposed to the best interests of the Employer, and with respect to which the Employee had no intent to violate the law. Conviction of crime requiring a finding of specific intent to violate the law shall not necessarily result in a finding hereunder that Employee's actions or omissions in question constituted "Cause" for termination hereunder. As used in this Agreement, "Good Reason" shall mean (x) assignment to the Employee of duties which result in Executive no longer performing the duties at a level comparable to the duties required of a Senior Vice President; (y) material breach of this Agreement by the Employer which is not cured within 30 days after written notice of the breach is received by the President of Health Midwest; or (z) the assignment of this Agreement by Employer to an employer which is not an wholly or partly owned subsidiary of Health Midwest. Before terminating the employment of Employee hereunder, the President of Health Midwest shall consult with



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the Executive Committee of the Board of Directors of Health Midwest. All terminations by the Employer shall be effective on the date set forth in a written notice sent to Employee.

b. Effect of Termination by Employer Without Cause. In the event Employer terminates the employment of Employee without Cause, the obligations of Employer and Employee to one another hereunder shall cease as of the effective date of such termination except that:

1. Employer shall pay Employee's then current base salary, without reduction except for taxes, for the then current pay period and for that number of additional pay periods which will result in one year's salary as an agreed upon termination payment (the "Termination Payment"). The one year period shall be referred to as the "Severance Period".

2. During the Severance Period, the Employer shall also maintain the Employee's group term life and long term disability coverage on the same basis as such coverage is being provided to senior executives at the time such payments are due, provided that the Employee continues to be eligible for such benefits. Employer's obligation to maintain such benefits shall cease at such time as Employee obtains employment elsewhere regardless of whether such employment, or benefits provided in connection therewith, are the same as or comparable to the benefits provided hereunder.

3. During the Severance Period, the Employer shall also pay the costs of COBRA continuation at the same percentage it paid toward the premium for health and dental coverage at the time of termination of employment (including the Exec-u-Care coverage, if any is then provided) provided such benefits are being provided for senior executives at the time such payments are due. Employer's obligation to maintain such benefits shall cease at such time as Employee obtains employment elsewhere regardless of whether such employment, or benefits provided in connection therewith are the same as or comparable to the benefits provided hereunder.

4. During the Severance Period, Employee shall not be entitled to participate in the Execuflex program. Employee will not participate in the Employer contribution to the allowance pool, nor will she be entitled to designate a portion of the Termination Payment for purchase of certain flexible benefits and no such benefits shall be provided with respect to the Termination Payments. The eligibility and entitlement of Employee to distributions from previous designations, for example, amounts set aside in the capital appreciation account, shall be determined by the terms of the Execuflex program in effect at the time of the termination of employment hereunder.

5. The obligation of Employer to provide the benefits and payments set forth in this subsection (b) shall be conditioned upon the execution by Employee of a release of claims against Employer and such other documentation as Employer may reasonably request of Employee.



c. Effect of Termination by Employer With Cause or by the Resignation of Employee or by Employee otherwise without Good Reason. In the event that the Employer terminates the employment of Employee with cause or the Employee resigns or otherwise terminates without Good Reason, all obligations of the parties to one another shall cease as of the effective date of such termination. Employer shall not be obligated to provide any Termination Payment or benefits following such effective date except such benefits with respect to which (i) Employee has already become vested as of the effective date of the termination; and (ii) the provisions of the plan or program covering such benefits permit the payment thereof under such circumstances. For not less than two years following any termination under this Section 7(c), Employee will neither seek nor accept any position for a health care provider or health insurance/ managed care entity with operations in the counties of Jackson, Clay, Platte, Cass or Lafayette in the State of Missouri; or in the counties of Johnson, Wyandotte, Leavenworth, Miami or Douglas in the State of Kansas; or in the Topeka or Wichita Kansas metropolitan area. If Employer prevails in an action against Employee for breach of the non competition provisions of this Section 7(c), in addition to any injunctive relief that may be awarded, Employee will pay the reasonable costs and expenses of enforcement by Employer of the provisions hereof.

d. Effect of Termination by Employee with Good Reason. In the event that Employee terminates employment hereunder with Good Reason, the payments and benefits set forth under Section 7(b) above shall be provided by Employer, conditioned upon the release agreement and documentation referred to in Section 7(b)(5); provided that Employee shall have the obligation to seek other employment and any amounts earned by or paid to Employee during the Severance Period shall reduce, dollar for dollar, the obligation of Employer to make the Termination Payment.

e. Effect of Termination during Initial Six Months. During the initial six months of the term of this agreement, Employee is granted a Special Termination Benefit. If Employee elects to resign her employment with or without Good Reason during this initial six month period, Employer shall pay Employee's current base salary, without reduction except for taxes, for the remaining pay periods required to provide total payment to Employee equal to twelve months' base salary, including any salary paid for time worked during this initial six month period. Such Special Termination Benefit shall be conditioned upon execution of the release agreement and documentation referred to in Section 7(b) (5); provided that Employee shall have the obligation to seek other employment and any amounts earned by or paid to Employee during the remainder of the calendar year shall reduce, dollar for dollar, the obligation of Employer to pay the Special Termination Benefit.

f. Notice of Termination by Employee without Good Reason. Employee may elect to terminate employment hereunder without Good Reason upon not less than 120 days prior written notice to Employer of the termination. Employer may shorten the notice period by written notice to Employee. The obligations of the parties shall cease hereunder upon the expiration of the notice period, whether the 120 day period or such shorter period as may be elected by Employer.



g. Termination upon the Death or Disability of Employee. Upon the death of Employee or upon disability which renders the Employee unable to perform the essential functions of the job, with or without reasonable accommodation, this agreement shall terminate and all rights, duties and obligations of both parties shall cease, except for the payments of benefits to the Employee and her beneficiaries pursuant to any benefit programs providing death or disability benefits for which Employee was vested at the time of her death or disability. It is recognized that the foregoing is subject to the provisions of the Americans for Disabilities Act.

h. Confidentiality. The provisions of Section 8 shall continue to apply following any termination of this Agreement pursuant to Section 7 or otherwise.

8. Confidentiality. Employee shall at all times during and after the term hereof maintain in strictest confidence and not disclose to any person or entity any proprietary or business related information that he or she has acquired about the Employer, including, but not limited to all finance matters, business matters, physician matters, human resource matters and long-range planning information.

9. Miscellaneous.

a. This contract, including the Employee's Offer of Employment Letter from Health Midwest dated March 19, 2001 (Exhibit C), constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof. It supercedes any and all other prior or contemporaneous agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

b. Except as otherwise specifically provided, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the parties approved by the President of Health Midwest after consultation with the Executive Committee of the Board of Directors of Health Midwest.

c. The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions, and this contract shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

d. This Agreement shall be binding upon and inure to the benefit of the Employer and its successors and assigns and the Employee, her administrators, executors, legatees, heirs and assigns. Employee may not assign the rights or delegate the duties hereunder.

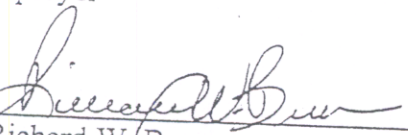
e. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Missouri.

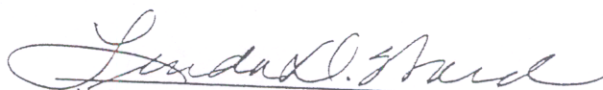


IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written next to their signatures below.

Health Midwest  
"Employer"

Employee

By   
Richard W. Brown  
President and CEO

  
Linda Ward

Date 3-22-2001

Date 3-27-01



## Exhibit A

### Health Midwest Executive Incentive Compensation Plan

Employee will be eligible to participate in the Health Midwest Executive Incentive Compensation Plan. The plan provides for the opportunity to earn an annual bonus, up to a maximum of 20% of base salary. The plan also provides for a longer term, three-year bonus potential. Each year objectives for the next three years are approved, and each year a three-year bonus is paid to eligible executives if objectives have been met. The maximum bonus that can be earned for achieving three-year objectives is equal to 30% of base salary, and it is paid based on the average of the participant's salary for the three-year period. Therefore, each year the total maximum bonus potential is 50% of base salary. A senior executive entering the plan will receive a prorated amount for the calendar year in which he/she is hired, if established objectives have been met. The objectives that are established each year for this bonus plan are Health Midwest system/organizational objectives, not individual executive objectives, and any payouts earned are based on system results. The objectives that are identified each year are typically quality and financial-related in nature.

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